

INITIAL STATEMENT OF REASONS

Title 14 Natural Resources Division 2. Department of Conservation Chapter 5. Division of Recycling

The Department of Conservation (Department) proposes to amend sections of Title 14 of the California Code of Regulations (CCR). AB 3056, passed as urgency legislation, authorizes the Department, pursuant to Public Resources Code (PRC) Section 14536(b), to adopt emergency regulations to implement changes to Section 14574 of the Beverage Container Recycling and Litter Reduction Act. To comply with and implement provisions of AB 3056, the Department adopted emergency regulations on December 5, 2006. The emergency regulations implemented the increase in the administrative fee retained by distributors of beverages in California, from 1% to 1.5% of the total California Redemption Value (CRV) paid to cover their administrative costs. These proposed regulations will make the emergency regulations permanent, clarifying the distributor administrative fee provisions, consistent with the changes enacted in AB 3056.

In addition, AB 1763/Committee on Natural Resources (Chapter 202, Statutes of 2005,) amended the reporting deadlines to coincide for both types of beverage distributors. Because the reporting deadlines now coincide, it is no longer necessary to identify the type of distributor by a "DB" (distributors of all beer and malt beverage containers), or "DS" (distributors of other than beer and malt beverage containers) prefix. Therefore, these regulations will clarify that all distributors of beverage containers may utilize the "DS" prefix when completing the Distributor Report (DR-3).

Subchapter 4.

Article 1. Distributor Requirements

§2305. RECORDKEEPING

Amended Subsection 2305 (c): Has been amended to reflect the change in the revision date of the Distributor Report Form (DR-3). The prior revision to this form was made in October 2006. This amendment is necessary to reflect that the most recent amendment to this form is July 2007.

§2310. REPORTING

Subsection 2310 (a)(1): Has been amended to reflect the change in the revision date of the Distributor Report Form (DR-3). The prior revision to this form was made in October 2006. This amendment is necessary to reflect that the most recent amendment to this form is July 2007.

Subsection 2310 (a)(2): Has been amended to reflect the change in the revision date of the Distributor Report Form (DR-3). The prior revision to this form was made in October 2006. This amendment is necessary to reflect that the most recent amendment to this form is July 2007.

Subsection 2310 (a)(2)(B): Has been amended to show the prefix to be added to the identification number required on the distributor reporting form (DR-3). Prior to the passage of AB 1763/Committee on Natural Resources (Chapter 202, Statutes of 2005), the reporting deadlines differed for distributors of all beer and malt beverage containers, and distributors of other than beer and malt beverage containers. Distributors were required to submit their Distributor Report (DR-3) with an assigned identification number with either a prefix of "DB" to identify a distributor of all beer and malt beverage containers, or a "DS" prefix for a distributor of other than beer and malt beverage containers. AB 1763 amended the reporting deadlines to coincide for both types of beverage distributors. Because the reporting deadlines now coincide, it is no longer necessary to identify the type of distributor by the "DB" or "DS" prefix. Therefore, all distributors of beverage containers may utilize the "DS" prefix when completing the Distributor Report (DR-3).

§2320. PAYMENTS

Amended Subsection 2320 (a): Has been amended to reflect the change in the administrative fee withheld by distributors of beverages in California. This change will remove the percent shown in the regulations and instead reference the amount to be withheld as shown in statute.

Deleted Subsection 2320(e): Has been removed because the amount of the administrative fee is now referenced in statute.

Renumbered Subsection 2320(f): Has been renumbered to 2320(e) due to the deletion of old subsection 2320(e).

Renumbered Subsection 2320(g): Has been renumbered to 2320(f) due to the deletion of old subsection 2320(e), and the renumbering of old subsection 2320(f).